

**WORKFORCE SAFETY & INSURANCE**  
**INVESTMENT PERFORMANCE REPORT AS OF JULY 31, 2006**

|   | July-06              |               |               |               | Current       | Prior Year    | 3 Years       | 5 Years       |
|---|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | Allocation           |               | Month         |               | FYTD          | FY06          | Ended         | Ended         |
|   | Market Value         | Actual        | Policy        | Net ROR       | Net           | Net           | 6/30/2006     | 6/30/2006     |
|   |                      |               |               |               |               |               | Net           | Net           |
| <b>LARGE CAP DOMESTIC EQUITY</b>                      |                      |               |               |               |               |               |               |               |
| <i>Structured Growth</i>                              |                      |               |               |               |               |               |               |               |
| Los Angeles Capital                                   | 16,619,292           | 1.4%          | 1.5%          | -3.69%        | -3.69%        | 11.12%        | N/A           | N/A           |
| <b>Total Structured Growth</b>                        | <b>16,619,292</b>    | <b>1.4%</b>   | <b>1.5%</b>   | <b>-3.69%</b> | <b>-3.69%</b> | <b>11.12%</b> | <b>12.01%</b> | <b>-0.32%</b> |
| Russell 1000 Growth                                   |                      |               |               | -1.90%        | -1.90%        | 6.12%         | 8.35%         | -0.76%        |
| <i>Structured Value</i>                               |                      |               |               |               |               |               |               |               |
| LSV   | 18,788,651           | 1.6%          | 1.5%          | 2.03%         | 2.03%         | 15.05%        | 21.14%        | 12.22%        |
| Russell 1000 Value                                    |                      |               |               | 2.43%         | 2.43%         | 12.10%        | 15.70%        | 6.89%         |
| <i>Russell 1000 Enhanced Index</i>                    |                      |               |               |               |               |               |               |               |
| LA Capital  | 33,353,545           | 2.8%          | 2.9%          | -1.08%        | -1.08%        | 11.58%        | N/A           | N/A           |
| Russell 1000  |                      |               |               | 0.22%         | 0.22%         | 9.08%         | N/A           | N/A           |
| <i>S&amp;P 500 Enhanced Index</i>                     |                      |               |               |               |               |               |               |               |
| Westridge   | 39,921,212           | 3.3%          | 2.9%          | 0.65%         | 0.65%         | 8.77%         | N/A           | N/A           |
| S&P 500   |                      |               |               | 0.62%         | 0.62%         | 8.63%         | N/A           | N/A           |
| <i>Index</i>  |                      |               |               |               |               |               |               |               |
| State Street  | 12,369,971           |               |               | 0.85%         | 0.85%         | 9.51%         | 11.47%        | 2.62%         |
| <b>Total Index</b>                                    | <b>12,369,971</b>    | <b>1.0%</b>   | <b>1.0%</b>   | <b>0.85%</b>  | <b>0.85%</b>  | <b>9.51%</b>  | <b>11.47%</b> | <b>2.62%</b>  |
| S&P 500   |                      |               |               | 0.62%         | 0.62%         | 8.63%         | 11.22%        | 2.49%         |
| <b>TOTAL LARGE CAP DOMESTIC EQUITY</b>                | <b>121,052,671</b>   | <b>10.0%</b>  | <b>9.8%</b>   | <b>-0.22%</b> | <b>-0.22%</b> | <b>10.95%</b> | <b>13.63%</b> | <b>3.95%</b>  |
| S&P 500   |                      |               |               | 0.62%         | 0.62%         | 8.63%         | 11.22%        | 2.49%         |
| <b>SMALL CAP DOMESTIC EQUITY</b>                      |                      |               |               |               |               |               |               |               |
| <i>Manager-of-Managers</i>                            |                      |               |               |               |               |               |               |               |
| SEI   | 36,413,465           | 3.0%          | 3.3%          | -3.55%        | -3.55%        | 13.58%        | 18.20%        | 7.84%         |
| Russell 2000 + 200bp                                  |                      |               |               | -3.09%        | -3.09%        | 16.86%        | 21.06%        | 10.38%        |
| <b>TOTAL SMALL CAP DOMESTIC EQUITY</b>                | <b>36,413,465</b>    | <b>3.0%</b>   | <b>3.3%</b>   | <b>-3.55%</b> | <b>-3.55%</b> | <b>13.58%</b> | <b>18.20%</b> | <b>7.86%</b>  |
| Russell 2000  |                      |               |               | -3.25%        | -3.25%        | 14.58%        | 18.70%        | 8.50%         |
| <b>INTERNATIONAL EQUITY</b>                           |                      |               |               |               |               |               |               |               |
| <i>Large Cap - Active</i>                             |                      |               |               |               |               |               |               |               |
| Capital Guardian                                      | 37,830,259           | 3.1%          | 3.2%          | 0.77%         | 0.77%         | 28.07%        | 20.99%        | 6.90%         |
| LSV   | 36,669,987           | 3.0%          | 3.2%          | 1.24%         | 1.24%         | 27.09%        | N/A           | N/A           |
| <b>Total Large Cap - Active</b>                       | <b>74,500,247</b>    | <b>6.2%</b>   | <b>6.4%</b>   | <b>1.00%</b>  | <b>1.00%</b>  | <b>27.66%</b> | <b>21.92%</b> | <b>12.63%</b> |
| MSCI EAFE - 50% Hedged                                |                      |               |               | 0.98%         | 0.98%         | 26.72%        | 22.56%        | 6.89%         |
| <i>Small Cap - Value</i>                              |                      |               |               |               |               |               |               |               |
| Lazard  | 8,871,078            | 0.7%          | 0.8%          | -2.41%        | -2.41%        | 23.65%        | 28.06%        | N/A           |
| Citigroup Broad Market Index < \$2BN                  |                      |               |               | -2.02%        | -2.02%        | 29.28%        | 32.40%        | N/A           |
| <i>Small Cap - Growth</i>                             |                      |               |               |               |               |               |               |               |
| Vanguard  | 9,066,265            | 0.7%          | 0.8%          | -0.50%        | -0.50%        | 29.24%        | 32.39%        | N/A           |
| Citigroup Broad Market Index < \$2BN                  |                      |               |               | -2.02%        | -2.02%        | 29.28%        | 32.40%        | N/A           |
| <b>TOTAL INTERNATIONAL EQUITY</b>                     | <b>92,437,589</b>    | <b>7.6%</b>   | <b>8.0%</b>   | <b>0.51%</b>  | <b>0.51%</b>  | <b>27.35%</b> | <b>23.83%</b> | <b>8.67%</b>  |
| MSCI EAFE - 50% Hedged                                |                      |               |               | 0.98%         | 0.98%         | 26.72%        | 22.56%        | 6.89%         |
| <b>DOMESTIC FIXED INCOME</b>                          |                      |               |               |               |               |               |               |               |
| <i>Core Bond</i>                                      |                      |               |               |               |               |               |               |               |
| Western Asset   | 211,362,911          | 17.5%         | 16.7%         | 1.65%         | 1.65%         | -0.90%        | 7.36%         | 8.59%         |
| Lehman Aggregate                                      |                      |               |               | 1.35%         | 1.35%         | -0.81%        | 2.05%         | 4.97%         |
| <i>Core Plus/Enhanced</i>                             |                      |               |               |               |               |               |               |               |
| Clifton Group   | 48,276,452           | 4.0%          | 5.6%          | N/A           | N/A           | N/A           | N/A           | N/A           |
| Prudential  | -                    | 0.0%          | 0.0%          | N/A           | N/A           | N/A           | N/A           | N/A           |
| <b>Total Core Plus/Enhanced</b>                       | <b>48,276,452</b>    | <b>4.0%</b>   | <b>5.6%</b>   | <b>N/A</b>    | <b>N/A</b>    | <b>N/A</b>    | <b>N/A</b>    | <b>N/A</b>    |
| Lehman Aggregate                                      |                      |               |               | 1.35%         |               |               |               |               |
| <i>Index</i>  |                      |               |               |               |               |               |               |               |
| Bank of ND  | 140,073,891          | 11.6%         | 11.1%         | 1.08%         | 1.08%         | -1.14%        | 1.14%         | 4.90%         |
| Bank of ND CD'S                                       | 2,270,125            | 0.2%          | 0.2%          | 0.45%         | N/A           | N/A           | N/A           | N/A           |
| <b>Total Index</b>                                    | <b>142,344,015</b>   | <b>11.8%</b>  | <b>16.7%</b>  | <b>1.08%</b>  | <b>1.08%</b>  | <b>-1.02%</b> | <b>1.09%</b>  | <b>4.62%</b>  |
| Lehman Gov/Credit (1)                                 |                      |               |               | 1.30%         | 1.30%         | -1.52%        | 1.04%         | 4.78%         |
| <i>BBB Average Quality</i>                            |                      |               |               |               |               |               |               |               |
| Wells Capital (formerly Strong)                       | 210,666,568          | 17.4%         | 16.7%         | 1.51%         | 1.51%         | -2.11%        | 2.63%         | N/A           |
| Lehman US Credit BAA                                  |                      |               |               | 1.58%         | 1.58%         | -2.37%        | 2.63%         | N/A           |
| <b>TOTAL DOMESTIC FIXED INCOME</b>                    | <b>612,649,946</b>   | <b>50.6%</b>  | <b>50.0%</b>  | <b>1.43%</b>  | <b>1.43%</b>  | <b>-1.35%</b> | <b>2.25%</b>  | <b>5.52%</b>  |
| Lehman Aggregate (2)                                  |                      |               |               | 1.35%         | 1.35%         | -0.81%        | 1.84%         | 5.28%         |
| <b>TREASURY INFLATION PROTECTED SECURITIES (TIPS)</b> |                      |               |               |               |               |               |               |               |
| Northern Trust Global Investments                     | 136,043,225          | 11.2%         | 11.0%         | 1.60%         | 1.60%         | -1.53%        | N/A           | N/A           |
| Western   | 134,464,000          | 11.1%         | 11.0%         | 1.56%         | 1.56%         | -1.94%        | N/A           | N/A           |
| <b>TOTAL TIPS</b>                                     | <b>270,507,225</b>   | <b>22.3%</b>  | <b>22.0%</b>  | <b>1.58%</b>  | <b>1.58%</b>  | <b>-1.74%</b> | <b>N/A</b>    | <b>N/A</b>    |
| LB US TIPS Index                                      |                      |               |               | 1.63%         | 1.63%         | -1.64%        | N/A           | N/A           |
| <b>REAL ESTATE</b>                                    |                      |               |               |               |               |               |               |               |
| JP Morgan   | 74,751,794           | 6.2%          | 6.0%          | -0.10%        | -0.10%        | N/A           | N/A           | N/A           |
| NCREIF Total Index                                    |                      |               |               | 1.32%         | 1.32%         | 18.23%        | N/A           | N/A           |
| <b>CASH EQUIVALENTS</b>                               |                      |               |               |               |               |               |               |               |
| Bank of ND  | 2,871,090            | 0.2%          | 1.0%          | 0.45%         | 0.45%         | 4.50%         | 2.71%         | 2.42%         |
| 90 Day T-Bill   |                      |               |               | 0.42%         | 0.42%         | 4.00%         | 2.37%         | 2.25%         |
| <b>TOTAL WSI</b>                                      | <b>1,210,683,781</b> | <b>100.0%</b> | <b>100.0%</b> | <b>0.97%</b>  | <b>0.97%</b>  | <b>3.45%</b>  | <b>6.76%</b>  | <b>5.44%</b>  |
| POLICY TARGET BENCHMARK                               |                      |               |               | 1.15%         | 1.15%         | 3.63%         | 6.36%         | 5.48%         |

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.